

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

Ref. Docket Nos. 10, 129 & 176

**CERTIFICATION OF COUNSEL REGARDING *REVISED PROPOSED* SECOND  
INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION  
CLAIMS OF CERTAIN CRITICAL VENDORS, FOREIGN VENDORS,  
SHIPPERS & LOGISTICS PROVIDERS AND 503(B)(9) CLAIMANTS;  
AND (III) GRANTING RELATED RELIEF**

On November 3, 2024, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Claims of Certain Critical Vendors, Foreign Vendors, Shippers & Logistics Providers, and 503(b)(9) Claimants; and (II) Granting Related Relief* [Docket No. 10] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware

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<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

(the “Court”).

On November 6, 2024, the Court entered an order approving the Motion on an interim basis [Docket No. 129] (the “First Interim Order”). Pursuant to paragraph 3 of the First Interim Order, the Debtors reserved the ability to request additional relief in the amount of \$30,000,000 on a further interim basis.

On November 14, 2024, the Debtors filed the *Notice of Filing of Proposed Second Interim Order (I) Authorizing the Debtors to Pay Certain Prepetition Claims of Certain Critical Vendors, Foreign Vendors, Shippers & Logistics Providers and 503(b)(9) Claimants; and (II) Granting Related Relief* [Docket No. 176] (the “Proposed Second Interim Order”) in accordance with paragraph 3 of the First Interim Order. Objections or responses to entry of the Proposed Second Interim Order were to be filed and served by November 21, 2024 at 4:00 p.m. (ET) (the “Objection Deadline”).

Prior to the Objection Deadline, the Debtors received an informal objection to the Proposed Second Interim Order from the Ad Hoc Group of Freedom Lenders<sup>2</sup> (the “Freedom Lender Group”) and together with the Debtors, the “Parties”). In light of the Debtors’ imminent need for the additional relief sought through the Proposed Second Interim Order, the Debtors requested the Court’s intervention on an emergency basis.

On November 21, 2024, the Court held a hearing (the “Hearing”) to consider the Proposed Second Interim Order and the Freedom Lender Group’s objection thereto. The revised form of order (the “Revised Proposed Second Interim Order”) attached hereto as Exhibit A reflects the agreements memorialized on the record and the Court’s ruling at the Hearing. For the convenience of the Court and other interested parties, a blackline comparing the Revised Proposed Second Interim Order against the Proposed Second Interim Order is attached hereto as Exhibit B.

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<sup>2</sup> See Docket No. 60.

WHEREFORE, as the Revised Proposed Second Interim Order reflects the Court's ruling at the Hearing and the Parties' agreement with respect to certain relief, as applicable, the Debtors respectfully request that the Court enter the Revised Proposed Second Interim Order without further notice or a hearing at the Court's earliest convenience.

*[Remainder of Page Intentionally Left Blank]*

Dated: November 21, 2024  
Wilmington, Delaware

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